

# **CHAPTER FOURTEEN**

## **Foreign Military Sales**

### **Transportation Policy**

#### **Introduction**

The movement of and the accounting for foreign military sales (FMS) materiel involves a number of transportation complexities as the material flows from the military department depots and contractor points of origin to the ultimate customer. This chapter examines those complexities, to include the Department of Defense (DoD) policy governing the process, organization, and responsibilities of those activities engaged in the movement and accounting of the materiel. Each topical area affords the reader an appreciation of the policy and the individual roles and responsibilities of the country representatives, freight forwarders, and DoD. Policy for the movement of FMS materiel is the responsibility of the Assistant Deputy Under Secretary of Defense for Transportation Policy [ADUSD (TP)] within the Under Secretary of Defense for Acquisition, Logistics, and Technology [USD(ATL)] organization.

#### **Basic Transportation Policy**

Historically, FMS transportation policy has been a policy of purchaser self-sufficiency whereby each purchaser is normally responsible for the transportation and delivery of its own materiel. In the application of this policy, and within the framework of U.S. laws, regulations, and policies, the purchaser usually employs an agent, such as a freight forwarder, to manage transportation and delivery from the freight forwarder's facility in the U.S. to the purchaser's desired destination.

Self-sufficiency is still a viable policy for the shipment of FMS materiel. However, as of October 1991, most FMS materiel has been shipped via prepaid Commercial Bills of Lading (CBL) and/or on Government Bills of Lading (GBL) through the Defense Transportation System (DTS) since stock funded materiel pricing now includes the cost of transportation to the purchaser's freight forwarder and/or port of embarkation. The Defense Security Cooperation Agency (DSCA) also advised all transportation activities that effective 1 October 1991, the use of DTS is authorized for the movement of stock fund materiel to the purchaser's freight forwarder/port of embarkation, and to stop citing the FMS accounting classification on transportation billing documents, including bills of lading, for stock fund materiel sent to the purchaser's freight forwarder/port of embarkation. The use of Collect Commercial Bills of Lading (CCBLs) for stock fund items stopped effective 1 October 1991. CCBLs are still used for non-stock funded items shipped to the freight forwarder. The applicable implementing agency (IA) stock fund account will pay transportation costs to the freight forwarder/port of embarkation. In addition, the DoD 7000.14-R, *Financial Management Regulation (FMR)*, Volume 15, Chapter 7, states that when transportation of FMS materials is accomplished through the use of CBLs/GBLs, normal commercial rates, not U.S. government rates, shall be used. The purchaser remains responsible for onward transportation.

Normally, firearms, explosives, lethal chemicals, other hazardous materiel, and occasionally, classified materiel are moved within the DTS or other U.S. government-arranged transportation on a CBL/GBL to the CONUS port of exit. The onward movement of these items may be effected by purchaser-owned or controlled aircraft or purchaser-owned, operated, or controlled surface vessels. FMS materiel which requires exceptional movement procedures, such as sensitive and, as required, certain hazardous material, as defined in DoD 4500.9-R, *Defense Transportation Regulation (DTR)*, Part II, *Cargo Movement*, will be shipped through Continental United States (CONUS) water or aerial

port facilities controlled by DoD. Air cargo that exceeds commercial capability can also be delivered through DTS.

The prime movers within the DTS are the U.S. Air Force (USAF) Air Mobility Command (AMC); the U.S. Navy (USN) Military Sealift Command (MSC); and the U.S. Army (USA) Surface Deployment and Distribution Command (SDDC). All three commands are under the central authority of the U.S. Transportation Command (USTRANSCOM) headquartered at Scott AFB, Illinois. AMC manages DoD air terminals and the onward movement of cargo and passengers booked on military airlift. MSC provides worldwide ocean transportation for DoD. SDDC is the single DoD manager for military traffic, land transportation, and common-user ocean terminals. SDDC provides transportation planning and support for the surface movement of passengers and cargo within the DTS, including within CONUS.

It should be noted that when using the DTS, the U.S. government normally maintains control and custody of the materiel (but not the title) until delivery to the purchaser. In-country U.S. military representatives, such as Security Assistance Officers (SAOs), are responsible for supervision of the discharge at destination of classified FMS materiel and equipment moving through the DTS. The extent of the SAOs responsibility in the discharge of unclassified materiel shipped through the DTS will depend upon the capabilities of the foreign purchaser. This responsibility may include making arrangements for reception of the cargo; assuring establishment by the purchaser of adequate procedures for checking the equipment and materiel against manifests and shipping documents; providing technical advice regarding proper discharge of cargo; and responding to transportation correspondence and initiating various transportation receipt documents and discrepancy reports as outlined in the DTR and the DLAI 4140.55/AFJMAN 23-215/NAVINST 4355.18A/AR 735-11-2, *Reporting of Supply Discrepancies*. This latter instruction provides information on reporting shipping or packaging discrepancies attributable to the responsibility of the shipper (i.e., overages, damages, or non-receipt) to be reported via a Supply Discrepancy Report (SDR) by the receiving activity.

Since use of an FMS-funded Bill of Lading for an FMS shipment is considered a DTS shipment, DoD is performing a reimbursable service for the FMS customer and, custody must not be construed to mean retention of title or acceptance by DoD of any risk of loss or damage. If the DTS ships an item to an FMS recipient, including a recipient freight forwarder, and loss or damage occurs, the recipient must file a claim with the carrier. If resolution with the shipper is unsuccessful, the recipient may submit qualifying SDRs to request additional shipment or billing information or to obtain implementing agency (IA) assistance in resolving the discrepancy. The U.S. government has responsibility for filing and processing claims with carriers when shipment is made on a prepaid basis to locations where DoD personnel or other U.S. government representatives have primary responsibility for receipt inspection and acceptance. When the U.S. government files the claim, the benefits will be reimbursed to the Purchaser.

Additional exceptions to basic policy include the use of shipping transportation offices to guarantee the payment of charges on collect commercial bills of lading, and the use of freight forwarders to make prepaid arrangements with carriers in lieu of the normal collect bill of lading.

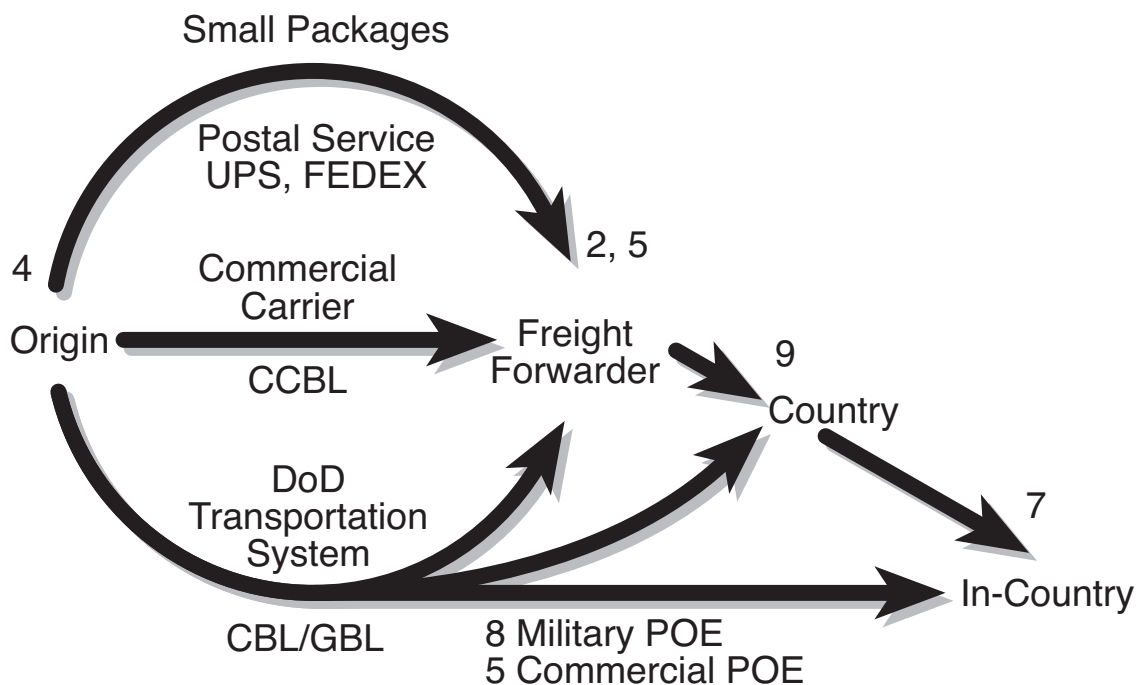
## **Title Transfer**

Title to equipment and materiel will pass at the initial point of shipment (point of origin) unless otherwise specified in the letter of offer and acceptance (LOA). Title to DoD articles sold from stock will normally transfer at the U.S. depot. Items procured from contractors will normally pass title at the contractor's loading facility. Title to excess materiel will normally pass at the location at which the materiel is being offered for sale. Title to defense articles transported via parcel post passes to the purchaser on the date of parcel post shipment.

## Point of Delivery

The point of delivery is that point in the transportation cycle where responsibility for physical movement of a FMS shipment passes from DoD to the purchaser. The CONUS point of shipment/origin is normally also the point of delivery, especially for shipments to freight forwarders. However, there are numerous situations when the point of delivery may be a port of exit, a ship, or a purchaser's port or in-country destination.

**Figure 14-1**  
**Defense Transportation System**



## Insurance

If the purchasers do not want to self-insure a shipment but still want insurance, they should obtain commercial insurance for its FMS shipments. Only in exceptional situations will a military department obtain insurance for the purchaser. When this happens, the insurance will be billed as a separate line item on the LOA.

## Preservation, Packing and Marking

The LOA, Standard Terms and Conditions (Section 5.1), states that defense articles will be packed and crated prior to the time that title passes. The *Security Assistance Management Manual (SAMM)* requires shipments to FMS customers to be packed using the higher of the two preservation levels (Level A over Level B) prescribed by MIL-STD 2073-1D, with special packing available as an additional FMS service. Level A is required for protection of materiel against the most severe worldwide conditions known or anticipated to be encountered during shipment, handling and storage. It is intended to protect material against direct exposure to extremes of climate, terrain, operational

and transportation environments without protections other than provided by a pack in outdoor storage conditions for a minimum of one year. Level B packing is required for protection of materiel under anticipated favorable environmental conditions of worldwide shipment, handling and storage. It is designed to protect materiel against physical damage and deterioration during favorable conditions of shipment, handling and storage in warehouse conditions for a minimum of 18 months.

Address markings shall be in accordance with MIL-STD-129N and DoD 4500.9-R, Part II. DoD shippers, to include commercial contractors and vendors making shipments to overseas locations, are required to use the DD Form 1387 Shipping Label with bar coded data. In addition to DoD prescribed markings, FMS shipments must be marked with freight forwarder and in-country clear-text addresses when applicable. Additionally, each package should indicate shipment priority in such a manner that the freight forwarder will know the onward shipment requirements. The case identifier, national stock number (NSN) and the item dollar value are also required for freight forwarder and customs export requirements.

### **Small Parcel Shipments**

The U.S. Postal Service (USPS) defines a small parcel as an item that is 70 pounds or less in weight, and is 108 inches or less in combined length and girth. Transportation officers are authorized to use either the USPS parcel post facilities or commercial package carrier equivalents, such as United Parcel Service (UPS) or Federal Express Corporation (FedEx) for small parcel shipments. Overseas movement via the Military Postal Service (APO or FPO) is used only if the APO/FPO is specifically identified in the LOA and the APO/FPO has given written approval that they accept responsibility for receiving security assistance shipments. The Department of State's Diplomatic Pouch Services cannot be used for materiel shipments. As a rule, the APO/FPO and diplomatic pouch modes are not to be used for FMS shipments; however, exceptions to this policy are authorized for classified shipments (when the purchaser does not have approved facilities to receive classified items in the U.S.) or where the LOA specifies delivery in-country through the SAO or Mission. The SAMM, Section C7.6.4, states that such exceptions will be kept to a minimum and the cost of such shipments will be assessed to the purchaser. When shipment is to be via domestic parcel post or commercial carrier equivalents, the transportation service selected must provide a proof of entry into the transportation network and a proof of delivery to the consignee.

### **Consolidation**

FMS issues from a stock point will be consolidated by addressee for shipment purposes to the greatest extent possible consistent with customer requirements. Consolidation of line items into containers or shipment units will be limited to the same U.S. sponsoring service, the same FMS case designator, the same "Mark-for" and "Ship-to/Freight Forwarder" locations, and the same priority designator (designators 01-08 may be mixed but not with lower priorities). When items are consolidated, the container should be marked to indicate a consolidated shipment.

### **Dangerous Goods Shipments**

FMS customers frequently purchase materials through the DoD which are deemed hazardous by United States *Code of Federal Regulations (CFR)*. The U.S. Department of Transportation (USDOT) publishes U.S. hazardous material (HAZMAT) regulations under Title 49, Sections 100-199 of the *Code of Federal Regulations* (49 CFR 100-199). The USDOT strictly regulates the movement of such materials. The USDOT defines dangerous goods (hazardous materials) as those materials which are capable of posing an unreasonable risk to health, safety and property when transported in commerce. Such materials include petroleum products, aerosols, compressed gases, paints, and cleaning compounds. These materials are identified alphabetically, by proper shipping name, in the Hazardous Materials Table, 49 CFR 172.101. This table covers the transportation of HAZMAT in all

modes - highway, rail, water and air. It makes no difference whether the shipment comes from a DoD or a commercial shipper, or whether the carrier is a contracted commercial surface or air carrier or a military carrier. It also makes no difference if the movement of the HAZMAT is strictly domestic or international. All movement of dangerous goods in commerce must comply with 49 CFR, and all commercial and DoD shippers must be certified in accordance with 49 CFR before they can approve the movement of dangerous goods.

Often the DoD or contract shipper will not know the ultimate mode of transportation for export shipments, especially if onward transportation is arranged by a freight forwarder. When this possibility exists, the original shipper should attempt to contact down-line shippers and forwarders to determine what packaging and certification is required because this can generally be accomplished in a more cost effective manner if performed by the original shipper rather than by down-line shippers. It is the originating shipper's responsibility to prepare the shipment for transportation to the ultimate destination. Failure to adequately package and label dangerous goods, and/or failure to properly provide accurate shipping documents results in frustrated cargo that cannot clear customs and leave the United States. Carriers and freight forwarders should refuse to accept improperly packaged HAZMAT, or HAZMAT with inadequate shipping documents. However, if they inadvertently accept such a shipment, the DoD is still responsible for resolving the discrepancy, which often can be a time-consuming and costly process to both the DoD and the freight forwarder. The DoD is not exempt from paying costly fines imposed under 49 CFR for failing to comply with HAZMAT transportation regulations.

Nine different hazard classes, many of which are further divided into subclasses, define dangerous goods, as shown in Table 14-1 below. Each class or subclass has specific movement requirements and restrictions.

**Table 14-1**  
**Hazard Class Definitions**

**Class 1: Explosives**

- |               |  |
|---------------|--|
| Division 1.1: | Substances and articles which have a mass explosion hazard.  |
| Division 1.2: | Substances and articles having a projection hazard but not a mass explosion hazard.  |
| Division 1.3: | Substances and articles which have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard.  |
| Division 1.4: | Substances and articles which present no significant hazard. In the event of ignition or initiation during transport the effects are largely confined to the package and no projection of fragments of appreciable size or range is to be expected. Includes CAD/PADs and blank small arms ammunition. |
| Division 1.5: | Very insensitive substances which have a mass explosion hazard, but that have very little probability of initiation or of transition from burning to detonation under normal conditions of transport.  |
| Division 1.6: | Extremely insensitive articles which do not have a mass explosion hazard and which demonstrate a negligible probability of accidental initiation or propagation.   |

## **Class 2: Gases**

- |               |  |
|---------------|--|
| Division 2.1: | Flammable Gases, such as butane and refrigerants.                |
| Division 2.2: | Non-flammable, non-toxic gases, such as helium or nitrous oxide. |
| Division 2.3: | Toxic gases.   |

## **Class 3: Flammable Liquids**

Flammable liquids are liquids/liquids containing solids in a solution or suspension (i.e. paints, varnishes, lacquers, etc.), which give off a flammable vapor at a temperature of not more than 60.5 Centigrade. This would include gasoline, alcoholic beverages and adhesives.

## **Class 4: Flammable Solids, Spontaneously Combustible Substances, and Substances Which in Contact with Water Emit Flammable Gases.**

- |               |  |
|---------------|--|
| Division 4.1: | Flammable Solids. Solids, which, under conditions encountered in transport, are readily combustible or may contribute to fire through friction, such as household matches. |
| Division 4.2: | Spontaneously combustible material, such as oily rags.   |
| Division 4.3: | Dangerous when wet material, such as sodium.   |

## **Class 5: Oxidizing Substances; Organic Peroxides.**

## **Class 6: Poisonous (Toxic) and Infectious Substances.**

- |               |   |
|---------------|---|
| Division 6.1: | Poisonous (toxic) substances, such as mercury, pesticides, insecticides and tear gas.   |
| Division 6.2: | Infectious Substances (containing viable micro-organisms including bacteria, viruses, parasites, etc. that are reasonably believed to cause disease in animals or humans. |

## **Class 7: Radioactive Material**

## **Class 8: Corrosive Substances**

This would include wet and dry batteries and battery acid.

## **Class 9: Miscellaneous Dangerous Substances**

This is material which presents a hazard during transportation but which does not meet the definition of any other hazard class.

In addition to having to conform to the requirements of 49 CFR, hazardous material shipments must be certified to the International Maritime Dangerous Goods Code (IMDGC) if the material is being transported by ship, to the International Air Transport Association (IATA) Dangerous Goods Regulation or International Civil Aviation Organization (ICAO) if being transported by either commercial cargo aircraft or passenger aircraft, or to the *U.S. Air Force Joint Manual 24-204* if being transported by military aircraft.

## **Classified Shipments**

Classified shipments of FMS materiel are often made via the DTS or by other DoD-arranged transportation modes, which provide the required security and enable DoD to maintain control and custody of the materiel until delivery to the purchaser. Classified materiel or data must be moved under security safeguards appropriate to the transportation mode employed, as established by DoD 5200.1-R, *Information Security Program Regulation*.

Classified and Sensitive materiel is identifiable through the Controlled Inventory Item Code (CIIC) listed in the catalog data for that item. Classified items should also be identified on the Letter of Offer and Acceptance. Commercial transportation may be used for the movement of classified or protected materiel provided the carrier has fulfilled the required criteria and has the proper authorization as delineated in DoD 4500.9-R, *Defense Transportation Regulation*, Part II, *Cargo Movement*, and DoD 5220.22-R, *Industrial Security Regulation*.

DoD 5200.1-R, *Information Security Program Regulation*, Chapter 8, specifically advises that classified materiel shall be transmitted only to an embassy or other official agency of the recipient government, or for loading on board a ship, aircraft, or other flag carrier designated by the recipient government at the point of departure from the United States. Classified materiel shall be transferred on a government-to-government basis by duly authorized representatives of each government.

Some freight forwarders have been cleared to receive classified shipments. A foreign government, embassy, or country representative may request a freight forwarder security clearance by contacting the Defense Industrial Security Clearance Office (DISCO), Attn: Facility Clearance Division, 2780 Airport Drive, Suite 400, Columbus, Ohio 43219-2268. The DISCO website contains directions and forms that needed to be completed prior to submitting with the letter requesting a facility clearance. Freight forwarders cleared for classified material are listed in the *Military Assistance Program Address Directory (MAPAD)*. Before classified materiel can be shipped commercially, the procedures for safeguarding the classified materiel must be spelled out in a detailed transportation plan. The transportation plan must be prepared by the implementing agency (IA) that prepares the LOA, in cooperation with the FMS customer. The transportation plan identifies the individual responsible for safeguarding the classified materiel, the methods of transport, the locations of transfer and delivery, the location of storage or processing facilities, and the security clearances of all personnel and facilities involved in the transfer. The implementing agency must ensure that its own security officials review and approve the transportation plan. If a freight forwarder or commercial carrier is involved in the transfer, the U.S. Defense Security Service (DSS) is provided a copy of the transportation plan, and is requested to verify the security clearances of the freight forwarder and/or the commercial carrier, as well as any courier or escort that is provided by the freight forwarder or carrier.

The transportation plan is an integral part of all official copies of the LOA and it must be maintained in the case file. It must be made available to U.S. Customs and Border Protection and other security officials when classified material is exported. Transportation plan specifics are detailed in the SAMM C3.F5. More information on this subject can be found in Appendix 2 of this text. Classified FMS shipments require U.S. Department of State licenses DSP-85 to be permanently exported by a commercial or foreign government representative, and DSP-61 is required for temporary import and re-export of items, including classified items, such as equipment brought into the U.S. for training or testing.

## **Sensitive Shipments**

Sensitive Arms, Ammunition and Explosives (AA&E) is a special term that describes conventional weapons, ammunition and explosives that need special protection and security to keep them out of the hands of criminals and terrorists. Conventional Arms, Ammunition and Explosives are munitions that are not Nuclear, Biological or Chemical (NBC) munitions. NBC items are covered by their own

regulations. Criminals and terrorists find conventional sensitive AA&E desirable because they are deadly, portable and easy to steal if unprotected.

DoD classifies many items in its inventory as sensitive AA&E. However, not every weapon, explosive, piece of ammunition or hazardous item is sensitive AA&E. Artillery and naval guns larger than 90mm are non-sensitive because they are not portable. Some ammunition is non-sensitive because it is used in a device that has no practical use as a weapon. Cartridge Activated Devices (CADs) or Propellant Activated Devices (PADs) used to open aircraft canopies are non-sensitive AA&E. The Hazard Class and Division of those items do not affect their classification as non-sensitive. Items can be Class/Division 1.4 or 1.3 and still be non-sensitive.

The majority of portable weapons are sensitive. So is their ammunition. This applies to their major components as well. Barrel assemblies for M16 rifles are sensitive. Most explosives are sensitive. DoD has grouped its sensitive AA&E into four security risk codes or categories. The highest is I and the lowest is IV. Category I includes manportable missiles (MANPADs) and rockets, such as Stinger and Javelin missiles, that are ready to fire and their explosive ammunition. Light automatic weapons, such as .50 caliber machine guns, hand grenades, and missile and rocket warheads less than 50 pounds fall into Category II. Category III covers mortar tubes up to and including 81mm, incendiary grenades, blasting caps, and .50 caliber ammunition or larger with explosive warheads. The lowest sensitivity group is Category IV, which includes shoulder-fired weapons if they are not fully automatic. It also includes handguns, ammunition with non-explosive projectiles and smoke grenades.

The DoD catalog system identifies sensitive AA&E items with controlled inventory item codes (CIICs) 1 through 4, which correspond to sensitive AA&E categories I through IV.

The DoD applies special security controls to sensitive AA&E. Sensitive materiel will always be moved via the DTS under delivery term codes (DTCs) 7, 8 or 9. Category I material must be transported to at least a customer country's port of debarkation (POD) under DoD control, unless waived by DSCA. The applicable DTC on the LOA will be 9 or 7. Categories II through IV items must be shipped at least to a DoD ocean or aerial port where DoD personnel load it into a customer country's ship or aircraft. The LOAs for these items must be written with a DTC with no less than 8.

There are non-sensitive AA&E items and they do not need to be given special AA&E security. Non-sensitive AA&E, if it contains explosives, is regulated by HAZMAT regulations. Just because an item is hazardous does not make it sensitive AA&E, or vice-versa. Hazardous and non-sensitive items may be shipped through commercial channels under DTC 4 or 5.

## **Notice of Availability**

Classified, sensitive and hazardous shipments require the use of notices of availability (NOAs), DD Form 1348-5. These notices alert the freight forwarder/country representative that a shipment is ready for movement and that appropriate actions are to be taken to ensure the protection of the materiel and, for classified items, proper government-to-government transfer. NOAs for sensitive and hazardous material are sent to the TAC 3 address identified in the *Military Assistance Program Address Directory (MAPAD)*. NOAs for classified material, however, must be sent to the country representative identified in the country's special instructions in the MAPAD. NOAs for classified material should not be sent to the TAC 3 address in the MAPAD. The MAPAD will be discussed in detail later in this chapter. Notices of Availability are only applicable when the Delivery Term Code is 4, 5, 8, B, C, E or H, and for all classified items regardless of DTC. An example of a Notice of Availability is at Figure 14-2.



## Figure 14-2 Notice of Availability (DD 1348-5)

<b>NOTICE OF AVAILABILITY/SHIPMENT</b>		<small>FROM (Issuing Activity's complete name and address)</small> DEFENSE SUPPLY CENTER RICHMOND (S9G) 800 JEFFERSON DAVIS HWY RICHMOND, VA 23297-5000								
<small>FOR (Name of Country)</small> GOVERNMENT OF BANDARIA		<small>NUMBER OF UNITS/TONS/COMBINED ON ACCOMPANYING DD FORM 1350 (3-81)</small> <div style="text-align: right; margin-right: 50px;">1</div>								
<small>NOTICE NUMBER</small> PBKNS420411147	<small>CASE NO.</small> RAE	<small>TYPE/PACK</small> 1	<small>PIECES</small> 1	<small>WEIGHT (Lbs)</small> 99.20	<small>CUBE</small> 282.52	<small>SECURITY CLASSIFICATION</small> UNCLASS				
<small>AMMUNITION/BROGUE CLASS</small> N/A		<small>EXTREME DIMENSIONS/WEIGHT</small> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 33%;"><small>WEIGHT (Lbs)</small> 99.20</td> <td style="border: 1px solid black; width: 33%;"><small>LENGTH (Feet)</small> 13.12</td> <td style="border: 1px solid black; width: 33%;"><small>WIDTH (Feet)</small> 6.56</td> <td style="border: 1px solid black; width: 33%;"><small>HEIGHT (Feet)</small> 3.28</td> </tr> </table>					<small>WEIGHT (Lbs)</small> 99.20	<small>LENGTH (Feet)</small> 13.12	<small>WIDTH (Feet)</small> 6.56	<small>HEIGHT (Feet)</small> 3.28
<small>WEIGHT (Lbs)</small> 99.20	<small>LENGTH (Feet)</small> 13.12	<small>WIDTH (Feet)</small> 6.56	<small>HEIGHT (Feet)</small> 3.28							
TO BE COMPLETED BY ADDRESSEE (Press hard when writing)										
1. After completion detach both copies - retain Copy 2 for your records. <span style="float: right;">2. Fold Copy 3 place in envelope and mail at once to the Issuing Activity's address.</span>										
<small>CONDITION TO (Enter the complete name and address of Consignee)</small> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">NAME</td> <td style="width: 50%; padding: 5px;">STREET</td> </tr> <tr> <td style="padding: 5px;">CITY</td> <td style="padding: 5px;">STATE (include ZIP Code)</td> </tr> </table>							NAME	STREET	CITY	STATE (include ZIP Code)
NAME	STREET									
CITY	STATE (include ZIP Code)									
<small>OTHER INFORMATION</small>										
<div style="display: flex; align-items: center; justify-content: center; margin-top: 20px;"> <div style="text-align: right; margin-right: 20px;">ADDRESSEE</div> <div style="border: 1px solid black; padding: 10px; text-align: center;">           SECURITY ASSISTANCE FOREIGN REPRESENTATIVE BANDARIA            INTERNATIONAL PROGRAMS SUPPORT DIRECTORATE            NAVAL INVENTORY CONTROL POINT INTERNATIONAL PROGRAMS            NAVICP-OF, CODE 76BN            700 ROBBINS AVENUE            PHILADELPHIA, PA 19111-5095         </div> </div>										

DD FORM 1348-5, JUN 69 (EG)

### U.S. Flag Shipping

In accordance with the *Merchant Marine Act of 1936*, as amended, defense articles purchased through the Foreign Military Financing Program (FMFP) and which will be shipped by ocean vessel, are to be transported in vessels of United States registry. However, under certain circumstances, the law permits the granting of waivers, allowing not more than 50 percent of the cargo to be shipped in vessels flying flags of the country to which the credit/loan agreement applies.

DSCA and the U.S. Maritime Administration (MARAD) of the Department of Transportation closely monitor credit/loan shipments. Waiving and monitoring procedures are a part of the sales agreements. DSCA has the responsibility for acting on waiver requests from the foreign countries, while the Maritime Administration monitors actual shipments.

Additional information concerning credit agreements and waivers may be found in Chapter 17, *Funds Management*, and the SAMM, Sections C7.12 and C9.7.

## **Accessorial Services and Charges**

The SAMM and DoD 7000.14-R, *Financial Management Regulation (FMR)*, Vol. 15, define accessorial charges as certain expenses incident to issues, sales, and transfers of materiel which are not included in the standard price or contract cost of materiel, such as packing, crating and handling, transportation (PCH&T), pre-positioning, staging of materiel in CONUS, and port loading and unloading. The term Accessorial Charges, however, has been routinely used in the FMS community to also include logistics support charges (LSC), contract administration services (CAS), and any other additional charges incidental to the sale other than the cost of the article.

Transportation costs for other than CCBL shipments are considered accessorial costs. Transportation rates are assessed when the DTS provides transportation for FMS materiel, when items are shipped on a GBL, and when packages are shipped prepaid on a CBL through the U.S. Postal Service (Parcel Post), UPS, or through any commercial carrier. Consult Chapter 16, *FMS Pricing*, for transportation rates, their application, and computation.

## **Transportation Responsibilities**

There are normally three parties involved in the movement of FMS materiel: the U.S. government, the Purchaser, and the Freight Forwarder. Each has specific responsibilities that must be met in order to assure the efficient movement of materiel. The SAMM, Section C7.4 provides additional information concerning the various responsibilities.

### **U.S. Government**

The U.S. government agrees to initiate shipments to freight forwarders and provide transportation services for specific items identified in the LOA. As the shipment initiator, the U.S. government can cause problems in the movement of FMS articles to the purchasing country. Any failure in the packing and shipping process can result in problems for the carrier, the freight forwarder, and the customer, and prevent prompt processing of claims. Packing and shipping facilities must ensure that packing documentation, hazardous certification, and FMS case identification are properly affixed to the container. Additionally, it is essential that the on-line *Military Assistance Program Address Directory (MAPAD)* system is used in creating the clear-text address on the shipping label. Failure to use the electronic MAPAD can result in items being shipped to the incorrect ship-to or mark-for addressee. It is the responsibility of the shipping activity to ensure that the information contained on the shipping label, (or included on the accompanying documentation, i.e., a DD 250, *Material Inspection and Receiving Report*, a DD 1149, *Requisition and Invoice/Shipping Document*, or a commercial equivalent) include as a minimum the price or value of the shipment, the transportation priority, a description of the item, the FMS case identifier and the MILSTRIP document number and supplementary address. When any of this information is omitted, the freight forwarder is unable to obtain customs clearance or is unable to identify the final destination for onward shipment. The item then becomes frustrated cargo and remains undeliverable until the applicable international logistics command organization (ILCO) and shipping activity correct the errors. The same problems arise with items being shipped directly from procurement as those being shipped from stock.

Shipping activities are also responsible for providing the freight forwarder with advance documentation of the impending shipment, by sending out a DD 1348-5, *Notice of Availability*, and maintaining evidence of shipment. U.S. government agencies are required to maintain proof of shipment for an indefinite period following the shipping date, and to provide necessary shipping information to enable the purchaser and/or freight forwarder to process claim actions against either the carrier or the U.S. government. When applicable, the U.S. government assists the purchaser in processing any claim that may arise for lost or damaged shipments in the same manner it processes claims for U.S. government-owned materiel. In addition, the DoD components can provide technical assistance and guidance to purchaser representatives/freight forwarders, if requested.

When the DoD ships security assistance material through the Defense Transportation System, the shipment usually moves through a DoD port and there is no commercial freight forwarder involved. However, in recent years the DTS system has been expanded to include commercial airlift or surface shipments acquired directly by DoD shippers to move FMS purchases directly to overseas destinations. These shipments are usually made through commercial ports. Perhaps as a result of heightened security since 11 September 2001, and an increased concern over technology transfer and export controls, the U.S. Customs and Border Protection inspectors now require DoD certification of export documents not previously prepared for shipments made through DoD-controlled ports. The DoD is now required to prepare and submit Shippers Export Declarations (SEDs) and DSP-94s for shipments made directly by DoD through commercial ports. This scenario occurs when international customers do not have a freight forwarder. Additionally, the U.S. Customs and Border Protection is now requiring DTS shipments made through DoD ports to also be documented through a SED. The responsibility for preparing the SEDs in DoD for service-owned material is currently being sorted out by DSCA. The Defense Contract Management Agency (DCMA) is responsible for preparing SEDs for FMS materiel coming from procurement. The SEDs are filed electronically at the U.S. port using the Automated Export System (AES), a Census Bureau tracking system for exports licensed by either the Department of State or the Department of Commerce. Correct procedures for preparing a Shipper's Export Declaration (SED) are identified at [www.census.gov/foreign-trade/www/correct.way.html](http://www.census.gov/foreign-trade/www/correct.way.html).

The FMS transportation coordinators at each MILDEP are the points of contact for country representatives. These coordinators are located at the ILCO for Army and Navy cases, and at the Air Force Materiel Command (AFMC) for Air Force cases. The MILDEPs do not participate in negotiations of contractual arrangements between a country and a freight forwarder. The selection of a freight forwarder must be made by the FMS customer. However, subsequent to the selection of a freight forwarder, the MILDEP transportation coordinators may assist the country representative and freight forwarder in the determination of proper addresses and codes for entry in the MAPAD and subsequent use in requisitions. Additionally, the FMS transportation coordinators assist freight forwarders in processing claims against DTS carriers for lost or damaged freight received at the freight forwarder's facility.

**Document Retention**. All FMS shipping documents, including GBLs, CBLs, NOAs, Transportation Control and Movement Documents (TCMDs), Issue Release/Receipt Documents (DD Forms 1348-1, 1149, 250), Inspection and Receiving Reports, Air Bills, Supply Transactions, Transfer to Carrier Documents, Acceptance Data, and any similarly related material used to effect transfer of FMS shipments to carriers, must be retained for a mandatory time frame of 30 years. This normally means keeping the documentation two years at the shipper locations and 28 years in a National Records Archive. This FMS documentation must be maintained in hard copy format (Ref: DoD 4500.9-R, Part II, Appendix E, Para. Q).

### **Purchaser**

The purchaser must select a freight forwarder and clearly define its requirements in a contract with the freight forwarder. Addresses for the delivery of materiel, documents, and reports must be determined and coordinated with the individual services MAPAD administrators or the DLA MAPAD Administrator at the Defense Automatic Addressing System Center. These addresses are published in the MAPAD and must be kept current. The purchasing country must also determine its financial arrangements with the freight forwarder, particularly in the payment of freight bills and the provision of funds for the freight forwarder to pay CONUS CCBLs. The purchaser should also determine the type and amount of insurance it desires on freight shipments, obtain export licenses from the Department of State for the export of FMS materiel, and obtain U.S. customs clearances for the import of reparable materiel into the United States. When material is shipped through a freight forwarder, the foreign purchaser can delegate the responsibility for preparing all export documents, which include the DSP-94 and the Shipper's Export Declaration, SED 7525-V, but only if the purchaser provides the freight forwarder with a copy of the LOA. An example of the SED 7525-V is at Figure 14-3.

# Figure 14-3

## Shipper's Export Declaration, SED 7525-V

U.S. DEPARTMENT OF COMMERCE — U.S. CENSUS BUREAU — Economics and Statistics Administration — BUREAU OF EXPORT ADMINISTRATION					
FORM 7525-V (7-25-2000)		SHIPPER'S EXPORT DECLARATION		OMB No. 0607-0152	
1a. U.S. PRINCIPAL PARTY IN INTEREST (USPPI) (Complete name and address)			2. DATE OF EXPORTATION		
U.S. ARMY SECURITY ASSISTANCE COMMAND 1111 ROUTE 29 ALEXANDRIA, VA			10/10/2003		3. TRANSPORTATION REFERENCE NO. 555553333
b. USPPI EIN (IRS) OR ID NO. ARMY 155		c. PARTIES TO TRANSACTION Related <input type="checkbox"/> Non-related <input checked="" type="checkbox"/>			
4a. ULTIMATE CONSIGNEE (Complete name and address) BANDARIAN ARMY					
b. INTERMEDIATE CONSIGNEE (Complete name and address) ANTWERP MTMC					
5. FORWARDING AGENT (Complete name and address) DCMA SPRINGFIELD, IL DCMA@SPRINGFIELD.MIL (215) 555-1220 / FAX (215) 555-1330					
6. POINT (STATE) OF ORIGIN OR FTZ NO. DLA DEPOT SPRINGFIELD, IL		7. COUNTRY OF ULTIMATE DESTINATION BANDARIA			
8. LOADING PIER (Vessel only) PIER 10 CHARLESTON, SC		9. METHOD OF TRANSPORTATION (Specify) OCEAN		14. CARRIER IDENTIFICATION CODE 1205	
10. EXPORTING CARRIER MS PORTLAND		11. PORT OF EXPORT CHARLESTON		15. SHIPMENT REFERENCE NO. 55555222333335	
12. PORT OF UNLOADING (Vessel and air only) ANTWERP		13. CONTAINERIZED (Vessel only) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		16. ENTRY NUMBER N/A	
				17. HAZARDOUS MATERIALS Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
				18. IN BOND CODE N/A	
				19. ROUTED EXPORT TRANSACTION <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
20. SCHEDULE B DESCRIPTION OF COMMODITIES (Use columns 22-24)					
DF or M (21)	SCHEDULE B NUMBER (22)	QUANTITY - SCHEDULE B UNIT(S) (23)	SHIPPING WEIGHT (Kilograms) (24)	VIN/PRODUCT NUMBER/ VEHICLE TITLE NUMBER (25)	VALUE (U.S. dollars, omit cents) (Selling price or cost if not sold) (26)
	8803.30.0050 Other parts of airplanes or helicopters HELICOPTER SPARE PARTS AH-64 QUANTITY (5)	120 KG	120	N/A	125,000
TOTAL VALUE of ALL LISTED ITEMS ON THIS SED IS \$ 125,000					
THE LOA FOR THIS FMS CASE IS LODGED AT CUSTOMS JFK					
27. LICENSE NO./LICENSE EXCEPTION SYMBOL/AUTHORIZATION BN-B-SSA			28. ECCN (When required) N/A		
29. Duly authorized officer or employee KIM MURPHY			The USPPI authorizes the forwarder named above to act as forwarding agent for export control and customs purposes.		
30. I certify that all statements made and all information contained herein are true and correct and that I have read and understand the instructions for preparation of this document, set forth in the "Correct Way to Fill Out the Shipper's Export Declaration." I understand that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements herein, failing to provide the requested information or for violation of U.S. laws on exportation (13 U.S.C. Sec. 305; 22 U.S.C. Sec. 401; 18 U.S.C. Sec. 1001; 50 U.S.C. App. 2410).					
Signature			Confidential - For use solely for official purposes authorized by the Secretary of Commerce (13 U.S.C. 301 (g)). Export shipments are subject to inspection by U.S. Customs Service and/or Office of Export Enforcement		
			31. AUTHENTICATION (When required)		
			E-mail address DCMA@SPRINGFIELD.MIL		

This form may be printed by private parties provided it conforms to the official form. For sale by the Superintendent of Documents, Government Printing Office, Washington, DC 20402, and local Customs District Directors. The "Correct Way to Fill Out the Shipper's Export Declaration" is available from the U.S. Census Bureau, Washington, DC 20233.

## Freight Forwarder

The freight forwarder is normally a private firm under contract to the FMS customer to receive, consolidate, and stage materiel within the U.S. and arrange for its onward movement. As such, the freight forwarder's responsibilities are all contractually derived from the purchaser and must be specified in the contract. Freight forwarders vary considerably in size, personnel manning, and capability to process materiel, documents, and data for the purchasing country. However, no matter the size of the freight forwarder or amount of materiel handled, all freight forwarders should attempt to accomplish the following basic functions.

- **Storage Facilities and Materiel Handling Equipment.** The freight forwarder should have sufficient space and equipment to handle all expected shipments.
- **An In-transit Visibility System.** The freight forwarder receives shipping documents and should always match them against actual materiel receipts. If shipping documents are received and no materiel is received, the freight forwarder should follow up with the indicated point of shipment. The freight forwarder should track all incoming status, document, and shipment information, and perpetuate the necessary data, such as Transportation Control Number (TCN) in air or ocean manifests, air waybills, and customs declarations. An audit trail should be available to enable the country to track any non-receipt or damaged item from the purchasing country back to the point of origin. To effectively establish an audit trail, the freight forwarder should develop a system which will include, as a minimum, due-in information, advance shipping documents, notices of availability and response, receiving documents, shipping manifests, bills of lading, customs clearance documents, tracer/claims actions, container listings, invoices, and other documents or correspondence on the shipment.
- **Payment of Collect Commercial Bills of Lading.** The freight forwarder must have sufficient funds to pay CCBL or, when possible, to make credit arrangements with carriers or appropriate agencies to handle bills for deliveries, and to provide "bill to" addresses as necessary for inclusion in the MAPAD.
- **Notices of Availability.** The freight forwarder should immediately respond to each NOA requesting shipping instructions. The DoD does not store materiel to accommodate freight forwarders.
- **Shipment Damage.** Very few freight forwarders are permitted to open containers to check for possible damage of the contents. Claims must be filed against commercial carriers for shortages and visible damages. The freight forwarder should accept damaged articles and initiate claim action against the carrier.
- **Repack, Recrate, and Reinforce.** Most freight forwarders are not permitted to open containers they receive from the DoD or other sources. Instead, the freight forwarder must have the capability of repacking the inadequate original container into one that is more suitable for containerization and overseas shipment. If possible, small packages should be consolidated and loaded in sea land type containers to minimize loss, damage, or pilferage. However, this may not be possible since some countries do not have the capability to handle containerized shipments.
- **Marking, Labeling, Documentation.** It is the U.S. government's responsibility to ensure that the DoD shipper or the contracted manufacturer packs the materiel for overseas shipment, and that packing documentation, hazardous certification, and FMS case identification are properly affixed to the container. The freight forwarder should ensure that all required marking, labeling, and documentation is affixed to consolidated shipping containers and is legible for the onward processing of materiel.
- **Shipments of Materiel in Credit Cases.** Credit/loan arrangements between the U.S. government and the purchasing country require all materiel to be shipped on U.S. flag vessels.

However, under certain circumstances the U.S. government can grant a 50 percent waiver, i.e., when the freight forwarder receives FMS credit/loan funded material, a minimum of 50 percent (based on cargo valuation and freight revenue) must be shipped on U.S. flag vessels and the remainder may be shipped on purchasing country vessels. Records must be maintained and reports provided as required. Additional information concerning credit agreements and waivers may be found in Chapter 18, "Funds Management," and the SAMM, Sections C7.12 and C9.7.

- **U.S. Customs.** The freight forwarder must complete a Shipper's Export Declaration (SED Form 7525-V) and the DSP-94 to clear U.S. Customs, and report the export of all FMS materiel through the Automated Export System (AES) to the Census Bureau. The freight forwarder must have a copy of the Letter of Offer and Acceptance with all Amendments and Modifications from the FMS customer in order to complete these customs and export documents. For more information on customs clearance and licensing procedures, see Chapter 9 of this text.
- **Reparable Return.** Purchasing countries return numerous items to DoD organizations for repair and return or repair and exchange. The freight forwarder is responsible for clearing the incoming shipments through U.S. Customs, paying any repair facility.
- **Freight Forwarder Selection.** Freight forwarders are agents of the purchasing countries. DoD personnel are not authorized to recommend a freight forwarder to a purchaser or tell a freight forwarder how to conduct his operations. However, appropriate DoD representatives are encouraged to contact purchasers and their freight forwarders with a view toward providing technical assistance and guidance regarding DoD policy, procedures, and documents, and to explore ways of solving particular transportation problems. For more information on freight forwarder selection see Appendix 2 of this text, *Foreign Purchaser Guide to Freight Forwarder Selection*.

### Three Major Delivery Elements

There are three major elements involved in the delivery of FMS materiel to the proper purchasing country address. These elements are the FMS Letter of Offer and Acceptance (LOA), the Military Standard Requisition and Issue Procedure (MILSTRIP), and the Military Assistance Program Address Directory (MAPAD) system.

#### Letter of Offer and Acceptance

During the negotiation and processing of the LOA, various transportation blocks are completed which identify how items will be shipped, when shipments will be released, where responsibility for physical movement of an FMS shipment passes to the purchaser, and which accessorial charges are applicable. The LOA serves as the authority for the freight forwarder to obtain the U.S. Customs DSP-94 export document. It is necessary, therefore, that the Freight Forwarder has a copy of the LOA and all applicable Amendments and Modifications to the LOA, to facilitate shipments to the customer's country.

#### Offer/Release Code.

**Delivery Term Code.** The Delivery Term Code (DTC) indicates the point in the transportation cycle where responsibility for physical movement of an FMS shipment passes from the U.S. DoD to the purchaser. The LOA normally specifies a delivery location for every item included in the case. The DTC specifies to what point the U.S. will (if applicable) provide transportation, and from that point onward the purchaser provides the transportation. The most commonly used DTC on new LOAs is DTC 5 which indicates that the U.S. government will sponsor transportation to the port of exit which is normally the Freight Forwarder. DTC 8 is commonly used for DTS shipments and indicate pick up of

items by DTS at a point of origin and movement onboard a vessel to a CONUS port. The DTC appears in item (7) of the LOA. Table 14-2 shows the numeric Delivery Term Codes:

**Table 14-2**  
**Delivery Term Codes (DTC) for Shipments from the U.S. (Outbound)**

- |   |  |
|---|--|
| 2 | Delivery to Destination (normally GBL/DTS from origin to destination within CONUS or within the same overseas geographical area).  |
| 3 | Deleted. No longer used.   |
| 4 | Delivery at origin (normally shipment to freight forwarder by commercial carrier on a CCBL).   |
| 5 | Delivery to port of exit (normally U.S. Government sponsored transportation to the freight forwarder on a CBL or via DTS).   |
| 6 | Deleted. No longer used.   |
| 7 | Delivery to destination in recipient country (normally CBL/GBL via DTS).   |
| 8 | Delivery to vessel/aircraft (on board)-port of exit (normally GBL/DTS).  |
| 9 | Delivery to port of discharge (landed) (normally CBL/GBL via DTS).   |
| 0 | DTC for services that do not involve transportation of materiel. Also used if transportation is funded by "above-the-line" case funds and not charged as an accessorial. |

Another set of DTCs (alphas) are available for repair and return of purchaser owned materiel, as shown in Table 14-3 below.

**Table 14-3**  
**Delivery Term Codes (DTC) for Shipments**  
**Returning to the U.S. (Inbound)**

- |   |  |
|---|--|
| A | Deleted. No longer used.   |
| B | U.S. DoD is responsible for transportation from an overseas POE to a CONUS destination, return to a CONUS POE, and all CONUS port handling.  |
| C | U.S. DoD is responsible for CONUS port unloading of country's carrier, inland transportation to a CONUS destination, return to a CONUS POE, and port loading of country's carrier. |
| D | Deleted. No longer used.   |
| E | Customer has total responsibility for all transportation to and from CONUS repair facility.  |

- F U.S. DoD has total responsibility.
- G U.S. DoD is responsible for all transportation except overseas inland transportation.
- H U.S. DoD is responsible for transportation from a CONUS activity to a CONUS POE.
- J U.S. DoD is responsible for transportation from a CONUS activity to an overseas destination.

**Mark for Code.** The Mark for Code normally indicates where within the customer country the shipment is destined (the in-country destination). This code appears in the Mark for Code line at the bottom of Page 1 of the LOA.

Occasionally, an LOA will contain items which require multiple codes in a given block, such as numerous in-country (Mark for) destinations. These situations might arise for shipments of explosives, classified, and items with different priorities. If more than one code is applicable, appropriate explanatory notes can be included in the LOA as additional terms and conditions clearly identifying which items to ship to which locations.

**Freight Forwarder Code.** The freight forwarder code simply designates which freight forwarder will receive the shipment. This code is obtained from the *Military Assistance Program and Address Directory (MAPAD)* and appears in the LOA or at the freight forwarder code line on Page 1 of the LOA. The freight forwarder code is often prefaced by the appropriate country service code which indicates who is to ultimately receive the item. For example, B indicates the purchaser's Army, D indicates the purchaser's Air Force, and P indicates the purchaser's Navy.

**Offer/Release Code.** The offer/release code indicates when a shipment will be released. Code A indicates the shipping activity will automatically ship without any advance notice. Code Y is entered when the customer (usually the freight forwarder) wants advance notice of the shipment. Under Code Y, the shipper will send out a DD Form 1348-5, Notice of Availability (NOA), advising that shipment is planned to occur in fifteen days. The shipment will be released automatically at the end of fifteen days whether or not a response to the NOA has been received. Code Z is entered when advanced notice is required before release of shipment. If the shipping activity has not received instructions by the 15th day after the original NOA, it sends a follow-up NOA. If the second notice also fails to provide instructions, the shipper will take additional actions to obtain shipping instructions. Failure to respond to a Code Z NOA could result in the assessment of storage charges. Notices of Availability are only applicable when the Delivery Term Code is 4, 5, 8, B, C, E or H, and whenever the item being shipped is classified.

**Accessorial Costs.** Estimated packaging costs for non-stock funded items are entered in the Packing, Crating, and Handling Cost line, and transportation costs for non-stock funded items are shown on the Transportation Charge line of the LOA. A dollar amount is entered. Percentage rates used to compute the dollar amount are not shown on the LOA. Chapter 16 of this text provides information on how these costs are calculated.

### **Military Standard Requisitioning and Issue Procedures**

The second major element in the delivery of FMS materiel and related documentation is the Military Standard Requisitioning and Issue Procedures (MILSTRIP) requisition. Once an FMS case has been established and funded, applicable transportation/supply codes are transcribed from the LOA and attached as information data sheets to requisitions. For example, the Offer/Release Code, Delivery Term Code, Mark for Code and Freight Forwarder Code are perpetuated on requisitions to describe shipping information. MILSTRIP is described in Chapter 12 of this text.



## Military Assistance Program Address Directory

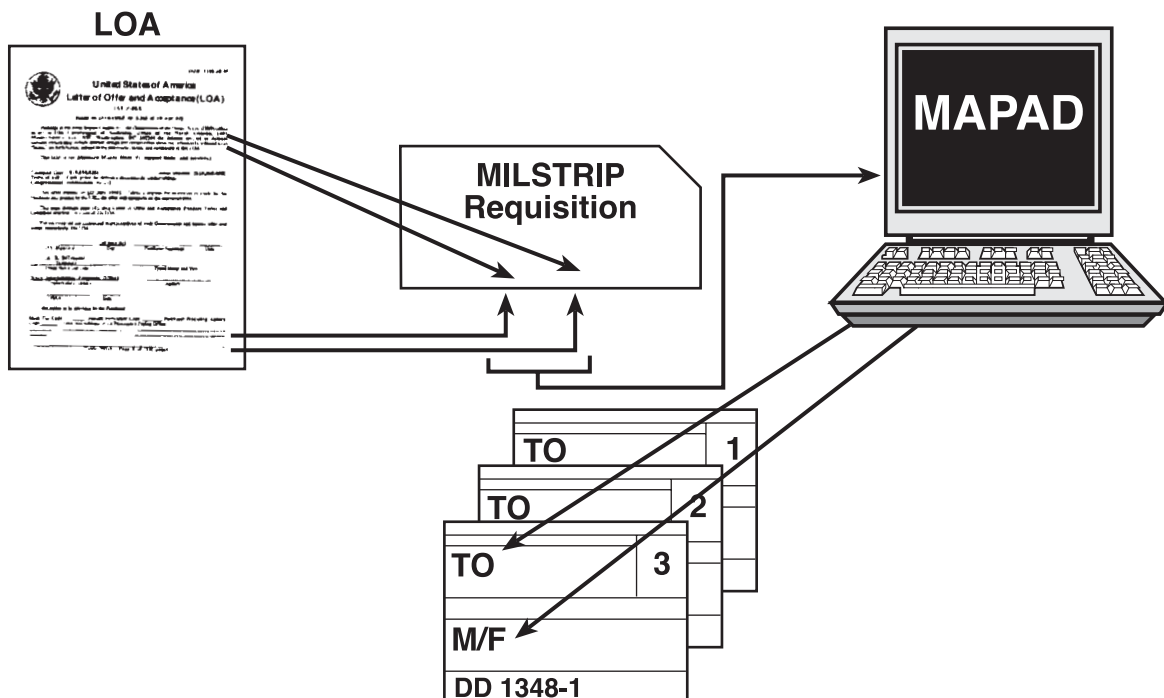
The *Military Assistance Program Address Directory (MAPAD)* web site contains the addresses required for shipment of materiel and distribution of related documentation under FMS and MAP/Grant Aid. It is considered one of the most important single elements in the Security Assistance supply and transportation process. The MAPAD is available for use by DoD activities, the General Services Administration, commercial firms, foreign governments, and international organizations participating in FMS and MAP/Grant Aid Programs. The MAPAD is no longer published in printed format. The MAPAD database now resides on the internet at <https://day2k1.daas.dla.mil/dodaac/mapac.asp>. Although the MAPAD currently resides on an unrestricted Web site, international customers, commercial customers, freight forwarders, and other non-DoD users must register with the Defense Automated Addressing System Center (DAASC) and receive a login and password before being able to access the MAPAD file after 1 October 2004.

### Information Contained in the Military Assistance Program Address Directory

The MAPAD contains addresses and corresponding address codes to identify where FMS materiel/documentation is to be shipped. It includes addresses of freight forwarders, country representatives, and customers within country. Generally, the information is coded to provide:

- A shipping address for parcel post, small package shipments, and freight;
- An address to receive Notices of Availability;
- An address to receive supply and shipment status; and,
- “Mark for” addresses for in-country destinations.

**Figure 14-4  
Document Relationships**



# Military Assistance Program Address Directory Policies

The following are specific MAPAD policies.

- **Administration.** The MAPAD is administered by the Defense Logistics Management Standards Office (DLMSO), located in Fort Belvoir, Virginia. The DLMSO coordinates all MAPAD entries with the MILSTRIP and DoD 4500.9-R, *Defense Transportation Regulation*, Part II, *Cargo Movement*.
- **Custodian.** The Defense Automated Addressing System Center (DAASC) located at Wright-Patterson Air Force Base, Dayton, Ohio, is responsible for the maintenance of the MAPAD automated file and directory. The DAASC serves as the focal point for the receipt of all file and directory changes. For example, DAASC will receive address changes from various country representatives and U.S. SAOs/Missions, and then will initiate appropriate file maintenance actions.
- **Post Office Addresses.** Military post office addresses (APO/FPO) will not be used for FMS shipments unless specified in the sales agreement (LOA). These addresses must also be approved by the applicable service prior to publication in the MAPAD.
- **International Mail Addressees.** International mail addresses and addresses of U.S. activities also require service approval and specification in the LOA.
- **Classified Shipment Addresses.** Some countries have freight forwarder and other addresses published in the MAPAD for the receipt of classified shipments. Once Defense Security Service (DSS) has cleared a facility/freight forwarder to handle classified material, DSS will send a letter of clearance to the Defense Logistics Management Standards Office (DLMSO). The DLMSO will enter the correct addresses into the MAPAD.
- **Special Instructions.** Clear text special instructions are listed at the beginning of each country section. This is a means by which customer countries place their unique requirements in the MAPAD regarding shipments/documentation.
- **MAPAD Changes.** Revisions, additions, revisions, and deletions to the MAPAD are made when such requests are received by DAASC from country representatives. However, requests for change may also be accepted from service focal points, if the request has the consent of the country representative. Freight forwarders must inform their country representatives immediately of an expected change of address, so that a request for change may be sent to DAASC for publication. Any requests by authorized country representatives for address deletions, revisions, and deletions to the MAPAD should be forwarded to: Executive Director, Systems Support Office, Attn: MAPAD Custodian, DAASC, 5250 Pearson Road, Wright-Patterson Air Force Base, Dayton, Ohio 45433-5328. Customers should submit written changes to DAASC with an information copy to the ILCO country manager.

# Military Assistance Program Address Directory Format

**Figure 14-5**  
**Military Assistance Program Address Directory**

MAPAC Query for BBN	
MAPAC: BBN002	2 / 10
TAC: 2	
TSC:	<a href="#">Click here for Country Reps and/or Special Instructions for BBN002</a>
AFI: F	<ul style="list-style-type: none"> <li>• BANDARIAN FREIGHT FORWARDING CORP.</li> <li>• TEL 301-555-1234 FAX 301-555-3639</li> <li>• WAREHOUSE DOCKS</li> <li>• BALTIMORE MD 21224-0319</li> <li>•</li> <li>•</li> <li>•</li> </ul>
SII:	
WPOD:	
APOD:	
FFLC: 0	
CHG NO: 3160	
EFF DATE: 2003290	
DEL DATE:	
MAPAC: BBN002 3 / 10	
TAC: 3	
TSC:	<a href="#">Click here for Country Reps and/or Special Instructions for BBN002</a>
AFI: F	<ul style="list-style-type: none"> <li>• BANDARIAN FREIGHT FORWARDING CORP.</li> <li>• ATTN: R. H. REYNOLDS</li> <li>• TEL 301-555-1234 FAX 301-555-3639</li> <li>• WAREHOUSE DOCKS</li> <li>• BALTIMORE MD 21224-0319</li> <li>•</li> <li>•</li> <li>•</li> </ul>
SII:	
WPOD:	
APOD:	
FFLC: 0	
CHG NO: 3160	
EFF DATE: 2003290	
DEL DATE:	
MAPAC: BBN002 4 / 10	
TAC: 4	
TSC:	<a href="#">Click here for Country Reps and/or Special Instructions for BBN002</a>
AFI: F	<ul style="list-style-type: none"> <li>• EMBASSY OF BANDARIA</li> <li>• DEFENSE PROCUREMENT ARMY</li> <li>• 1234 PENNSYLVANIA AVENUE NW</li> <li>• WASHINGTON DC 20001-3599</li> <li>•</li> <li>•</li> <li>•</li> </ul>
SII:	
WPOD:	
APOD:	
FFLC: 0	

The column titles stand for the following:

- MAPAC – Military Assistance Program Address Code (to be discussed below).
- TAC - Type of Address Code (to be discussed below).
- TSC-TAC – Sequence Code. When more than one MAPAC and TAC combination exists, the TSC distinguishes each address. Generally, shipments would be made to the nearest geographical location if more than one ship to address and TAC exist.

- AFI - Address File Indicator. An F in this field indicates an FMS customer. A G in this field indicates Security Assistance provided through MAP or Grant Aid.
- SII - Special Instructions Indicator. Codes reflect special instructions located on the country introduction page.
- WPOD - Water Port of Debarkation. A three-position Water Port Identifier Code, located in DoD 4500.9-R, *Defense Transportation Regulation*, Part II, *Cargo Movement*, Appendix MM, that designates a specific water port as the overseas place of discharge.
- APOD - Aerial Port of Debarkation. A three-position Air Terminal Identifier, located in DoD 4500.9-R, *Defense Transportation Regulation*, Part II, *Cargo Movement*, Appendix CC, that designates a specific air terminal as the overseas place of discharge.
- FFLC - Freight Forwarder Location Code. A one-position code to designate which location will be used for consignment of shipments and mailing documentation, i.e., east, west, or gulf coast location.
- CHGNO - The change number is a tracking number assigned by DAASC.
- EFF DATE - Date that the address noted becomes effective.
- DEL DATE - Date on which the MAPAC TAC 9 will be deleted.

### **Military Assistance Program Address Code**

The key to using the MAPAD is the Military Assistance Program Address Code (MAPAC). The MAPAC appears as a six position code in the MAPAD. It is constructed from selected codes located in various data fields of the MILSTRIP requisition. Specifically, MILSTRIP requisition record positions 31, 32, 33, 45, 46, and 47 provide all the information necessary to construct a MAPAC when shipment is made through a freight forwarder. Figure 14-6 is an illustration of two FMS MAPACs constructed from applicable entries in a MILSTRIP requisition. The numbers 30-50 indicate MILSTRIP record positions. The row of alphanumeric characters represents the applicable codes inserted in each record position by the originator of the requisition.

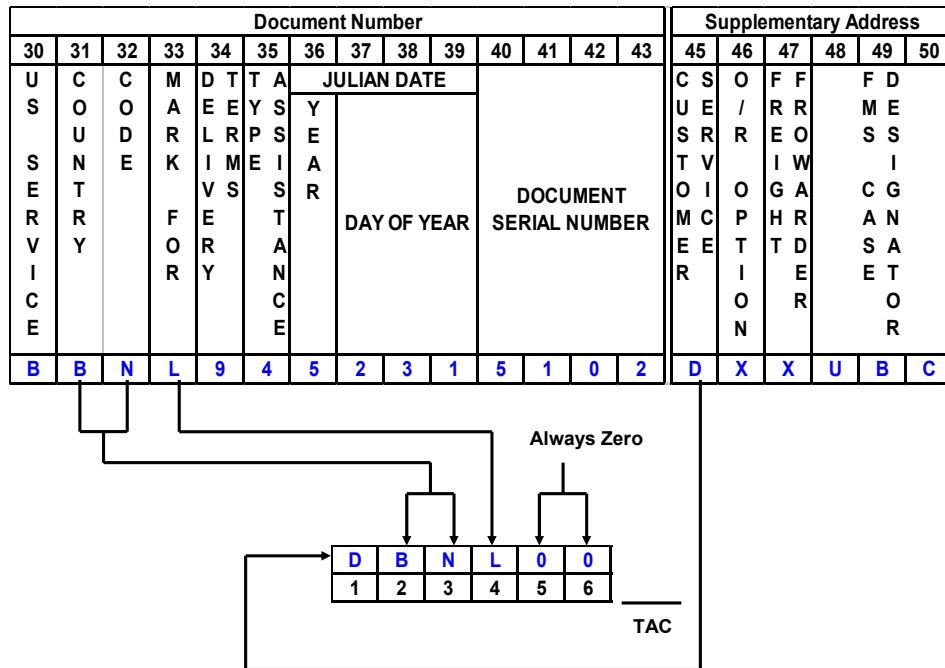
Figure 14-7 illustrates the MAPAC construction when shipment is made entirely through the Defense Transportation System, so there is no Notice of Availability, and no Freight Forwarder. In this case, the offer/release option and freight forwarder code are replaced in the Supplementary Address fields by "XX". The Mark-For address becomes the Ship-To address.

Grant Aid shipments have different MAPAC construction rules from those shown in Figure 14-6 and 14-7. Grant Aid material is usually shipped through the Defense Transportation System, but the material is not designated for any specific foreign military service, and there is no Letter of Offer or Acceptance. Consequently the data in the Supplementary Address fields of a Grant Aid requisition are quite different from the data in an FMS requisition, as shown in Figure 14-8. In these shipments, the Ship-To and Mark-For MAPAC are usually the same.

Shipments to Canada do not follow the MAPAC construction rules described above. In these shipments, there is no Mark-For MAPAC. For information on how to construct MAPACs for Canadian shipments, see the DoD 4500.9-R, *The Defense Transportation Regulation*, Part II, *Cargo Movement*, Appendix E, *Security Assistance Program Shipments: Foreign Military Sales and Grant Aid*.



**Figure 14-7**  
**Relationship of the MAPAC to the MILSTRIP Requisition for DTS Shipments**





**Table 14-4**  
**Type of Address Codes (TAC)**

Type of Address Code (TAC)	Explanation
A	This address is used when materiel classified Secret is moved by small parcel carrier. It must be shipped by a carrier that can provide evidence of shipment or proof of delivery in compliance with DoD 4500.9-R, <i>Defense Transportation Regulation (DTR)</i> , procedures.
B	This address is used when materiel classified Secret is moved by surface or air freight carrier. It must be shipped by a carrier that can provide evidence of shipment or proof of delivery in compliance with DTR procedures.
C	This address is used when materiel classified Confidential is moved by small parcel carrier. It must be shipped by a carrier that can provide evidence of shipment or proof of delivery in compliance with DTR procedures.
D	This address is used when materiel classified Confidential is moved by surface or air freight carrier. It must be shipped by a carrier that can provide evidence of shipment or proof of delivery in compliance with DTR procedures.
1	This address will be used when surface or air parcel post is selected as the mode of transportation for shipment of unclassified materiel.
2	This address will be used when surface or air freight is selected as the mode of transportation for shipment of unclassified materiel. More than one TAC 2 address may be reflected for the same MAPAC. In this case, the MAPAD will contain a Special Indicator which requires manual look-up in the introduction of the appropriate country address listing.
3	This address will be used when the option code (Y or Z in record position 46 of the requisition) requires a Notice of Availability prior to shipment. For option code Z, follow-ups on notices of availability will also be sent to this address.
4	This address will be used for distribution of supply and shipment status documents. Distribution may be accomplished by mail or by electrical communications.
5	This address will be used for mailing copies of release/receipt documents for parcel post shipments. This can be DD Forms 1348-1, DoD Single Line Item Release/Receipt Document; DD Form 250, Materiel Inspection and Receiving Report; or any forms used for release/receipt of shipments. The TAC 5 address will only be published when it is different from the



TAC 1 address.

6 This address will be used for mailing copies of release/receipt documents for automatic freight shipments. This can be DD Forms 1348-1, DoD Single Line Item Release/Receipt Document; DD Forms 250, Materiel Inspection and Receiving Report; or any forms used for release/receipt of shipments. The TAC 6 address will only be published when it is different from the TAC 2 address.

7 This address will be used to identify the activity responsible for payment of transportation charges for shipments made on collect commercial bills of lading or other types of collection delivery methods. The TAC 7. This address will be established only when TACs A, B, C D, 1 and 2 addresses (ship to) are not authorized to make such payments.

9 TAC 9 indicates that the addresses for this MAPAC have been deleted; however, the MAPAC will remain in the directory to provide a reference to another MAPAC, which will be used in processing documents that contain the deleted MAPAC, or provide a reference to special instructions for processing documents containing the deleted MAPAC. The deleted entry will remain in the MAPAD for a period of 5 years.

M This address will be used as a “Mark For” on shipments to freight forwarders. The fourth position of the MAPAC will contain an alphanumeric code to designate an in-country destination. This code will be the same as the code in record position 33 of the MILSTRIP requisition.

The selection of the proper TAC is determined by the type of action being taken. For example, when a requisition is processed, the following sequence of events may take place:

- A need for an address to send supply status documents (TAC 4);
- Possibly a need for an address to send a Notice of Availability, indicating stock is on hand and ready for shipment (TAC 3);
- The need for an address to send parcel post, freight or classified materiel (TAC A-D, 1, 2);
- The need for an address to send materiel release documents (TAC 5, 6); and
- The need for an address to send shipment status documents (TAC 4).

Once a purchaser is known, a MAPAC is constructed from a requisition and the type of shipping action is determined, a mailing or shipping address may be easily obtained.

## Summary

This chapter has presented an overview of the Department of Defense transportation policy for the movement of foreign military sales. The U.S. government would like all purchasers to become self-sufficient in the delivery of their materiel. However, because of the nature of some articles and the lack of capability of some emerging countries, there are occasions when the Defense Transportation System must be utilized to deliver certain items. Title to all articles normally passes at the point of origin and the purchaser pays all charges to its in-country destination. Some of these transportation costs are included in the stock fund price of the item and others are charged by the freight forwarder or the U.S. government. Offer release codes, delivery term codes, and other pertinent transportation

data are negotiated during the preparation of the LOA and resulting codes are perpetuated on a MILSTRIP requisition enabling shippers to move articles to the proper in-country address.

The MAPAD is a Web site that contains addresses and corresponding address codes to identify where FMS materiel is to be shipped and documentation is to be sent. At first glance, the MAPAC, with its required construction of various codes for determination of proper addresses, appears complex. However, after some familiarization, the use of the MAPAD becomes quite simple. It is imperative that the MAPAD be current in order that the delivery of materiel, documents, and reports is correct, and delays and misdirected shipments are avoided. Purchasers are responsible for the currency of address information.

Case negotiators, managers, and all applicable supply/shipping activities must be familiar with the MAPAD and comply with the marking and addressing of Security Assistance shipments.

Export documents must be prepared for all types and modes of shipment. A SED must be prepared by the freight forwarder when one is used by the FMS customer, or by the DoD shipper when movement is entirely through the DTS. Additionally, a Department of State license DSP-94 must be filed at the primary commercial port of exit.

## **Recommended Readings**

DoD Directive 5132.3, *Department of Defense Policy and Responsibilities Relating to Security Assistance*.

DoD Manual 4000.25-1-M, *Military Standard Requisition and Issue Procedures (MILSTRIP)*.

DoD Regulation 4500.9-R, *Defense Transportation Regulation (DTR)*, Part II, *Cargo Movement*.

DoD Manual 5105.38-M, *Security Assistance Management Manual (SAMM)*.

DoD Manual 5100.76-M, *Physical Security of Sensitive Conventional Arms, Ammunition and Explosives*.

DoD Manual 5220.22-M, *National Industrial Security Program Operating Manual (NISPOM)*.

DoD Regulation 5200.1-R, *Information Security Program*.

DoD Regulation 7000.14-R, *Financial Management Regulation (FMR)*, Volume 15, "Security Assistance Policy and Procedures".

AF Manual (AFMAN) 16-101, *International Affairs and Security Assistance Management*.

AF Instruction (AFI) 24-202, *Preservation and Packing*.

USASAC Training/Orientation Booklet, *Transportation and Traffic Operations*.

NAVSUP Publication 541, *Security Assistance Manual*.

NAVSUP Publication 526, *Foreign Military Sales Customer Supply System Guide*.

U.S. Government, Title 22, Code of Federal Regulations, Parts 120-130, *International Traffic in Arms Regulations (ITAR)*.

U.S. Government, Title 49, Code of Federal Regulations, Parts 170-179, *Hazardous Materials Regulation*.

DLAI 4140.55/AFJMAN 23-215/NAVINST 4355.18A/AR 735-11-2, *Reporting of Supply Discrepancies*

DLAM 4145.3/AFJMAN 24-204/NAVSUP 505/TM 38-250/MCO P4030.19F, *Preparing Hazardous Materials for Military Air Shipments*.

## Useful Websites

United States Customs and Border Protection: <http://www.cbp.gov/>

Defense Logistics Agency (DLA): <http://www.supply.dla.mil/>

U.S. Transportation Command (USTRANSCOM): <http://public.transcom.mil/>

Military Assistance Program Address Directory (MAPAD) System:  
<https://day2k1.daas.dla.mil/dodaac/mapac.asp>

Surface Deployment and Distribution Command (SDDC): <http://www.mtmc.army.mil/>

Air Mobility Command (AMC): <http://public.amc.af.mil/index.html>

Military Sealift Command (MSC): <http://www.msc.navy.mil/>

National Customs Brokers and Forwarders Association (NCBFA): <http://www.ncbfaa.org/>

Global Transportation Network: <https://www.gtn.transcom.mil/>

Defense Security Service (DSS): <http://www.dss.mil/>